

(continued)

5. The roadway is severely deficient in a number of areas. Funding projections will address the immediate needs; however, this route will require extensive ongoing maintenance to keep it passable.
6. The southern half of the route would benefit from a thin lift overlay (\$550,000) and a chip seal (\$100,000) and those costs have been included in this estimate. If the overlay and chip seal are not allowed, an additional \$65,000 would be required each year for pothole and blade patching materials.
7. This estimate does not include any cost for bridge replacements. There are four wooden bridges that show signs of damage. Until a full inspection is conducted to determine their actual condition, an estimate of needs cannot be made.
8. Further pavement work including thin lift overlays, chip seals, crack sealing, routine maintenance, etc. will have to compete for program funding with other maintained routes after the 2003 biennium.
9. The Maintenance Program present law budget for the 2003 biennium has been reduced by approximately \$4.1 million each year. With increased costs, already identified needs, and the cost of secondary road takeover, the Maintenance Program budget does not have sufficient current level authority for an increased workload.
10. This bill has no fiscal effect for the Engineering Division. The bill only states that Mill Creek will be put on the secondary system. Therefore, under the rules adopted by the department and the counties in District 2 any reconstruction would compete for dollars under the nomination process for secondary roads. Currently, under this process, projects for reconstruction already exist for a number of years into the future.

FISCAL IMPACT:

	<u>FY 2002</u> <u>Difference</u>	<u>FY 2003</u> <u>Difference</u>
FTE	1.50	1.50
<u>Expenditures:</u>		
Personal Services	60,677	60,888
Operating Expenses	713,273	289,421
Equipment	<u>212,000</u>	<u>0</u>
TOTAL	\$985,950	\$350,309
<u>Funding:</u>		
State Special Revenue (02)	\$985,950	\$350,309
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
State Special Revenue (02)	(\$985,950)	(\$350,309)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Passage of this bill would transfer the responsibility and associated cost of maintaining the highway from the county to the state.

LONG-RANGE IMPACTS:

Because of the location, geometrics, weather conditions, stability, and general condition of this road, it will require significantly more resources to maintain than similar secondary routes taken over by the department. The only impact this bill would have on construction would be to push another project to a longer wait on the construction list when this project is nominated and approved.